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Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

December 18, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources--Section 13.10 Request Related to Supplemental Snowmobile Trail Aids--Agenda Item XII

REQUEST

The Department of Natural Resources (DNR) requests approval to reallocate $680,000 SEG in 1997-98 from the amount available for general snowmobile trail aids to be used for supplemental trail aid payments.

BACKGROUND

DNR administers a snowmobile recreation program to develop and maintain a statewide system of snowmobile trails and administer and enforce snowmobile laws. These activities are primarily funded from the snowmobile account of the conservation fund. DNR distributes aids to counties for snowmobile trails and the enforcement of snowmobile laws. The account also funds a portion of DNR trails and enforcement efforts, coordination of snowmobile safety programs, and registration of snowmobiles. The Snowmobile Recreational Council advises DNR on matters related to appropriations and laws affecting snowmobiling. The council is a 15-member advisory committee whose members are nominated by the Governor with the advice and consent of the Senate and serve staggered three year terms.

The main expenditure from the snowmobile account is for snowmobile trail aids. DNR distributes aids to participating counties for the acquisition, development and maintenance of snowmobile trails throughout the state. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. Funds are also available for the development and maintenance of trails on state park and forest lands. Generally, trail maintenance aids are provided to counties and the DNR at 100% of eligible costs up to a maximum of $200 per mile per year.

Expenditures eligible for state aid, listed in priority order under s. 23.09(26) of the statutes, are: (1) maintenance of existing approved trails; (2) club signing programs; (3) bridge rehabilitation; (4) municipal route signing; (5) trail rehabilitation; and (6) development of new trails.

In addition to basic aids, a county or DNR is eligible for supplemental trail aid payments if all the following occur: (a) an application is submitted; (b) actual eligible costs exceed the maximum of $200 per mile per year; and (c) of the costs incurred, the actual trail grooming costs exceed $130 per mile per year (other eligible costs include insurance and certain lease costs).

State funding for snowmobile recreation and safety programs primarily comes from two sources: (a) snowmobile registration fees; and (b) the snowmobile gas tax transfer. The gas tax transfer is equal to the motor fuel tax assessed on 50 gallons of gasoline multiplied by the number of snowmobiles registered on the last day of February of the prior winter. Since fiscal year 1991-92, supplemental trail aids have been funded by an additional gas tax transfer of 40% of the base calculation.

1997 Act 27 (the 1997-99 biennial budget) made a number of changes in funding for the snowmobile program. The act shifted $551,200 in state enforcement and trail costs and 5.0 enforcement positions annually from snowmobile SEG to the following funding sources: (a) GPR ($461,200 and 5.0 positions), (b) forestry SEG ($65,000), and (c) parks SEG ($25,000). The appropriations for local snowmobile trail aids funded from the snowmobile account were increased by the following actions: (a) providing $551,200 annually as a result of the above shifts in state costs off the snowmobile account; (b) providing $500,000 annually from the available balance in the account; (c) reestimating the motor fuel tax transfer to provide an additional $325,400 in 1997-98 and $663,600 in 1998-99; and (d) providing $700,000 in 1998-99 by requiring a $10 annual trail use sticker for snowmobiles registered in another state using public snowmobile corridors in Wisconsin. As a result, the appropriations for local snowmobile trail aids increase from $4,243,000 in 1996-97 to $5,619,600 in 1997-98 and to $6,657,800 in 1998-99.

Under s. 350.12(4)(br) of the statutes, DNR may request that the Joint Committee on Finance take action under s. 13.101 without finding an emergency if the supplemental aid payable to counties exceeds available funding. DNR may also choose to prorate the trail aid payments if total claims are greater than available funds.

ANALYSIS

As shown in Table 1, since the winter of 1990-91 supplemental funding has fully funded eligible requests in two years and has been prorated in four years.

TABLE 1

Supplemental Snowmobile Trail Aids

Snowmobile Season	Counties	State Properties	Request	Total Payment	Amount Funded
1990-91	16	1	$351,800	$351,800	100%
1991-92	21	3	923,000	701,500	76
1992-93	21	3	983,900	724,600	74
1993-94	32	3	889,800	838,400	94
1994-95	11	4	477,700	477,700	100
1995-96	34	5	1,925,500	1,116,200*	58

*Includes the 40% multiplier and the $213,000 approved by the Joint Committee on Finance in September, 1996, and March, 1997.

The 1997-98 snowmobile gas tax transfer from the transportation fund to the snowmobile account is $3,368,200, with $962,300 of this amount earmarked for supplemental trail aid payments. Further, $2,251,400 primarily from snowmobile registration fees and a continuing balance of approximately $10,400 are available for 1997-98 trail aids.

The application deadline for supplemental requests for the 1996-97 snowmobiling season was October 1, 1997. Due to the good snowmobiling conditions of the past season (abundant snow and a lengthy winter), DNR has received requests from 38 counties and six state properties for $2,145,800 in supplemental funds. The Department indicates that not all requests have been evaluated, but that the final approved amount will likely not vary by more than five percent from the requested amount.

The additional $680,000 requested by DNR comes from funds not recommended for allocation by the Snowmobile Recreational Council on other snowmobile trail project requests under s. 23.09(26). After $3,058,600 was allocated to satisfy the basic maintenance requests on 15,300 miles of existing approved trails at the statutory $200 per mile rate, the Snowmobile Recreational Council had approximately $1.6 million available for other snowmobile trail project requests. After reviewing the projects in the priority order specified earlier, the council recommended approval of $918,800 in projects and requested that the Department seek approval to reallocate $680,000 of the remaining balance to supplemental trail aids. The amounts approved and denied for each statutory category for 1997-98 are shown in Table 2.

TABLE 2

Snowmobile Trail Aid Funding, 1997-98

	Total Requested	Approved	Denied
Trail Maintenance ($200/mile)	$3,058,600	$3,058,600	$0
Club Signing Requests	5,000	5,000	0
Bridge Rehabilitation	421,500	413,100	8,400
Route Sign Requests	900	900	0
Trail Rehabilitation	24,000	24,000	0
Development:			
Mandatory Relocation	122,900	122,900	0
Discretionary Relocation	83,500	15,000	68,500
New Bridge Projects	337,900	337,900	0
New Trail Development	327,500	0	327,500
Total	$4,381,800	$3,977,400	$404,400

The Snowmobile Council and DNR argue that the need for funding currently is for supplemental maintenance payments, given the good snowmobiling conditions of the past two years and the associated increased costs to keep trails maintained. If additional funding is not provided for supplemental aids in 1997-98, counties would receive payments prorated at less than 60 percent for two consecutive years. Concerns have been raised that a second year at this level of proration would place an undue financial burden on local snowmobile clubs. This in turn, could limit the ability of clubs to groom trails for the current snowmobile season.

On the other hand, it could be argued that Act 27 provided a 45% increase in trail aids in order to fund the basic $200 per mile maintenance allotment and development projects (such as bridge replacement or repair) on existing trails. As shown in Table 2, local projects were funded at 98% of requested levels (excluding new trail development which is the last statutory priority and was not funded). The act provided no funding increase for supplemental trail aids. Therefore, it could be argued that any funds not needed for basic trail maintenance could be used for any snowmobile program purpose, including snowmobile enforcement activities. If $461,200 and 5.0 enforcement positions were shifted from GPR to SEG (the same amount transferred from SEG to GPR in Act 27), $218,800 would remain to increase supplemental trail aids. Under this alternative, the appropriations for local snowmobile trail aids would still increase by an estimated 34% from $4,243,000 in 1996-97 to $5,158,400 in 1997-98 to $6,196,600 in 1998-99.

It could be argued that since expenditures for basic trail maintenance and projects were less than the funding appropriated in 1997-98, the Committee may transfer funding between appropriations in any manner that promotes efficient and effective operation of the snowmobile recreation program. Conversely, it could be argued that the legislative intent under Act 27 was to provide GPR funding for snowmobile enforcement efforts, and therefore such a transfer would be inconsistent with that intent. Further, program staff argue that trail project applications, and particularly new trail development projects, were not actively encouraged in order to maximize funding available for transfer to supplemental trail aids.

Assuming approved requests total $2.1 million, supplemental funding available from only the gas tax transfer would provide payment of 46% of eligible claims. An additional $680,000 would provide payment of 78% of eligible claims. If the Committee chooses to shift $461,200 and 5.0 positions in enforcement costs to snowmobile SEG, the additional $218,800 would provide payment of 56% of eligible claims (approximately the level provided last year). Denial of the request would mean that the $680,000 will be available for trail project costs in subsequent fiscal years.

ALTERNATIVES

1. Approve DNR's request to allocate existing expenditure authority of $680,000 SEG in 1997-98 for supplemental snowmobile trail aids.

2. Approve the allocation of existing expenditure authority of $218,800 SEG in 1997-98 for supplemental trail aids. Further, transfer $461,200 SEG annually from snowmobile trail aids to snowmobile enforcement and provide 5.0 SEG enforcement positions. Finally, delete $461,200 GPR and 5.0 GPR enforcement positions annually.

3. Deny the request.

Prepared by: Russ Kava

MO# Alt 1

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
1 OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 12 NO 3 ABS 1

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December 18, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Agriculture, Trade and Consumer Protection--Section 13.10 Request for Food Safety Study Report--Agenda Item XIII

REQUEST

1997 Act 27 requires the Department of Agriculture, Trade and Consumer Protection (DATCP) to submit a study of its food inspection program to the Joint Committee on Finance within 60 days of the effective date of the Act. In completing the study, the Department is to: (a) identify areas in the programs that could become more efficient; (b) develop a plan to streamline its food inspection procedures and program operations; and (c) identify any cost-savings that could be implemented based on the efficiencies and improved procedures. If the Committee approves the study report it may supplement DATCP's food safety GPR appropriation by $50,000 annually from the Committee's supplemental appropriation, regardless of whether or not an emergency exists.

DATCP has submitted the report for Committee approval and is requesting the $50,000 from the unreserved portion of the Committee's supplemental appropriation for the Department's food safety GPR appropriation. While the Department's request specifies $50,000, agency officials have indicated that the request was intended to be $50,000 annually.

BACKGROUND

The state's food safety program efforts are designed to safeguard public health and ensure a safe and wholesome food supply. The program also provides economic benefits to the regulated facilities in that the assurance of safety can facilitate the sale of their products. That is because most of the inspection services provided by the program are required before goods can be shipped out of state, the program facilitates the sale of dairy and food products in interstate and international markets. As a result, the program benefits both the general public and the industry.

Prior to 1987, DATCP's food safety program was entirely funded from GPR. However, because both the industry and general public benefit from the program, the Department took the position in 1987 that the program should be funded with both GPR and PR funds. As a result, from 1987 until 1991 the program was funded 50% GPR and 50% PR with program revenues being generated from fees on dairy farms, plants and processors and retail food stores and processors. Due to a program revenue funding shortfall, the 1991-93 budget created a program that was 60% GPR and 40% PR, with program revenue fees established by Department rule. Subsequently, the 1995-97 biennial budget converted $279,900 and 5.0 positions from GPR to PR which resulted in an approximate 50/50 funding split.

The Governor's 1997-99 biennial budget recommendations provided $50,000 annually in unallotted reserve for the Department's food inspection program activities. Under the recommendation, the funding would have been released by DOA after reviewing the findings of an efficiency study of DATCP's food inspection program and increased the base GPR funding available for future biennia. However, 1997 Act 27 provided that DATCP could request $50,000 annually from the Joint Committee on Finance if the request for the release for the funds is submitted with the food safety program study. In addition, Act 27 deleted $179,900 PR annually from unallotted reserve to maintain expenditures within estimated program revenues.

While 1997-98 funding for the entire food safety program is 54% ($3,606,600) PR and 46% ($3,068,900) GPR, certain programs funded from the PR appropriation have traditionally been 100% PR-funded. Factoring out the these programs (lab certification, pasteurizer testing and sealing, dairy plant equipment plan reviews and grading program efforts), the remainder of DATCP's food safety program is approximately 50% PR and 50% GPR.

The food safety program is provided 106.5 positions (50.46 GPR and 56.04 PR) in 1997-98, of which approximately sixty are food inspector positions. No staff have been added to DATCP's food safety program since 1991. The Department is in the process of increasing fees deposited to the food safety program for the first time since 1991 (excluding 100% PR programs). However, program costs have increased despite the same level of services. The increased costs to the PR account are largely due to: (a) the shift of five staff from GPR to PR; and (b) the increased salary and supply costs for the existing staff.

Fees on dairy-related establishments make up approximately 70% of program revenues, while fees on food-related establishments make up 30% of revenues. However, historically DATCP has had difficulty maintaining 30% of program expenditures for food establishment inspections. This is primarily due to the fact that much of the dairy-related program inspection effort is mandated (for example, dairy farms).

REPORT SUMMARY

DATCP's food study report identifies several policy issues that could lead to potential cost-savings or program efficiencies and improvements, primarily in the dairy inspection area. Some of the policy issues can be resolved through internal reorganization and administrative action which the Department intends to implement immediately. Other program modifications that involve the level and type of food safety service that are to be provided would require statutory changes or require DATCP Board, federal, legislative or industry review and action. Consequently, these actions cannot be completed immediately and will not have an immediate impact on costs. DATCP has convened a 25-member Food Safety Task Force that includes 14 representatives from the state's food and dairy industry, four agency officials (two each from DATCP and the Department of Health and Family Services), four legislators and three representatives from the health and food science fields that will assist the Department in developing recommendations on the long term policy and funding decisions to be included in the DATCP's 1997-99 biennial budget request. In addition, the report identifies several program efficiencies and cost reductions the Department has already made.

Internal Administrative Actions

The study lists several internal actions which the Department intends to implement immediately. DATCP indicates that these actions will improve program effectiveness and potentially reduce future program costs. These actions include: (a) reorganizing the Division of Food Safety; (b) implementing an electronic forms package for field inspectors; (c) specializing inspector work assignments; (d) developing an automated reporting system to allow for the more timely and effective assignment of staff to high health risk areas; and (e) entering into additional agreements with city and county health departments to act as agents for the Department in the licensing and inspection of retail food establishments within their jurisdictions.

Division of Food Safety Reorganization. Currently, DATCP has three regional manager positions that are responsible for coordinating and directing the delivery of inspection related services for both the food and meat safety programs in their region. While the food and meat safety programs have the same mission, which is to ensure the safety and wholesomeness of the food supply, the day-to-day operations of the two programs are different. Therefore, DATCP is proposing to convert two of the regional manager positions into chief of field services positions, with one assigned to the Bureau of Meat Safety and the other to the Bureau of Food Safety. The conversion will result in single program responsibilities for each position, which the Department indicates will allow the staff in the positions to: (a) manage time and workload more effectively; (b) develop greater program expertise; (c) coordinate and direct the day-to-day delivery of inspection services on a statewide basis; and (d) ensure greater consistency between inspectors and supervisors in the application of the laws, policies and procedures governing the program.

The third regional manager position will be converted to a program and planning analyst position. DATCP indicates the analyst position will increase the Division's capacity to improve the delivery of inspection related services by: (a) gathering and analyzing customer feedback and data on the level and quality of current inspections and to identify emerging inspection needs; (b) coordinating projects designed to improve program services; and (c) integrating program and service improvements into the day-to-day food inspection operations.

In addition, DATCP is proposing to consolidate the supervisory duties of two compliance section chiefs into a single supervisory position. The remaining supervisory position would be reallocated to provide paralegal staff support in the drafting of administrative and civil complaints and working with the Department's legal section and inspection staff on compliance cases. DATCP indicates that this action will consolidate staff supervision and management, assure a uniform approach to compliance issues within the Division, maximize training and information sharing on common investigatory issues and provide the paralegal resources that are necessary to assure that cases are processed promptly.

DATCP contends that the reorganization will allow the Department to use the current level of resources in a more effective way. However, the Department indicates that the reorganization will not result in a significant change in program costs.

<u>Electronic Forms Package</u>. DATCP central office staff review weekly and monthly reports submitted by field inspector staff for expenses, time reporting and other administrative tasks. In addition, field supervisors are also required to review and approve many of the reports. The Department intends to develop an electronic forms package to replace the manual review of these reports which could reduce the review time and improve the accuracy of the reports. DATCP indicates that electronic reporting would also reduce the time spent by field supervisors reviewing the reports which could be more effectively spent managing their inspection program activities and staff. When fully implemented over the next few years, DATCP indicates that electronic reporting could lead to the elimination of one program assistant position at a cost of $38,000 annually, which may be partially funded from program revenues.

<u>Inspector Specialization</u>. Currently, DATCP assigns its inspection staff on a geographic basis and staff are responsible for performing inspection related activities at a variety of businesses (farms, dairy plants, and food processors, warehouses and retailers). DATCP is proposing to reallocate work assignments based on the type of business inspected. The Department indicates that such an action may not decrease program costs but would allow for specialization of staff skills which could increase the effectiveness of inspection staff and provide better service to the food industry.

<u>Inspector Reporting System</u>. The current inspection reporting system requires hand written or word processed inspection reports. The current system does not allow for the timely retrieval of data such as a business' past compliance history nor does it allow staff to systematically retrieve data so as to target inspectors to areas that pose the highest food safety risks. DATCP is proposing to develop an automated reporting system to allow for more timely and effective data retrieval to assist staff in compliance investigations and program staffing.

City/County Retail Inspection Agents. The Department currently has agreements with 15 local health departments to license and inspect retail food establishments, which allows DATCP to reallocate staff to other high risk areas. DATCP is proposing to enter into agreements with eight additional localities with viable health and food inspections to provide retail food inspection service for DATCP. However, these agreements are voluntary on the part of the city/county agents. DATCP does not see any near term cost reductions associated with the additional city/county agreements. The Department feels the estimated 1.5 positions currently allocated to these eight localities will continue to be needed for two reasons: (a) to balance food establishment program revenues with program expenditures on those establishments; and (b) DATCP believes retail food inspections are a health priority that may pose higher risks of contamination to consumers. DATCP indicates that a statutory directive requiring local health departments to conduct retail food inspections would ensure those localities with viable health departments conduct their own inspections.

Actions Requiring Statutory or Administrative Rule Changes

DATCP will be working in conjunction with the Food Safety Task Force to develop proposals for statutory and administrative rule changes to improve the effectiveness and efficiency of the Department's food safety program. As part of this action, the type and level of food inspection services provided to industry and the public as well as the means and level of funding necessary to fund those services will be considered. Following are summaries of the statutory and administrative rule changes outlined in the study but is not a comprehensive list of what could be considered by the Task Force.

Eliminate Duplication of Retail Food Inspection. Currently DATCP and the Department of Heath and Family Services (DHFS) license and assess fees on the same 2,006 retail food establishments that also incidentally serve prepared food that may constitute a meal. In addition, the businesses are inspected by DHFS and DATCP under different administrative rules with different requirements. DATCP is proposing that businesses be required to hold only one agency's license and pay only one fee or that the agencies develop a joint administrative rule with identical standards.

Compliance Based Producer Fee Structure. DATCP estimates that approximately 47% of food safety inspector work time is spent inspecting the state's 20,000 Grade A dairy farms. Grade A dairy farms (producers) are inspected between one and six time a year depending on the farm's compliance history. However, each producer pays an annual $20 inspection fee regardless of the number of annual inspections. The producer's dairy plant pays the annual fee for the producer and is prohibited from charging back the fee to the producer. DATCP is proposing that the $20 inspection fee be eliminated for all farms that comply with federal requirements and do not require reinspection. Conversely, those farms that require reinspection would be assessed $20 for each additional inspection. Consequently, the overall amount of fees collected and the inspection workload would increase or decrease from current levels depending on the level of compliance with federal standards.

Eliminate Grade B Dairy Farm Inspections and Fees. State law requires that DATCP conduct Grade B dairy farm inspections. DATCP estimates that the equivalent of 3.75 GPR/PR split-funded positions are involved in inspection activities on the state's 4,500 Grade B dairy farms. Approximately, $80,000 annually in revenues are provided from Grade B inspection fees. DATCP indicates that from a public health perspective dairy farm inspections are a relatively low priority considering the product subsequently goes through the pasteurization process. Therefore, DATCP is proposing to eliminate the mandated Grade B dairy farm inspections and license fees and rather would conduct the inspections only if a priority public health concern is identified. DATCP estimates that approximately three quarters of a position would be needed to conduct inspections at Grade B dairy farms with identified problems. DATCP indicates the remaining three positions, will be needed to assist with inspections in other non-farm areas of food safety concern that can arise in the subsequent processing, handling and retailing of dairy and other food products.

Dairy Grading Program. Under current law, cheese and butter products carrying a Wisconsin Grade must be graded by a state licensed individual. DATCP currently licenses dairy, butter and egg graders. The program is entirely funded from program revenue from license and grading fees and federal funds. DATCP is proposing to survey the industry to determine whether the program is still valuable in the marketing of their products.

Electronic Submission of Milk Quality Data. Currently, DATCP staff manually enter approximately two-thirds of the milk quality data gathered from dairy plants. Five dairy plants, accounting for the remaining one-third of state's milk quality data, transmit the data electronically, which reduces staff time, increases accuracy and could reduce costs. DATCP is proposing statutory changes that would require dairy plants to submit the data electronically, which the Department estimates would reduce staff costs by approximately two positions and $70,000 annually.

Actions Requiring Federal or Multi-State Cooperation

The food safety report indicates that the single biggest efficiency issue involves the federal requirements associated with Grade A dairy farm inspections. These inspections account for nearly half of the food safety inspector staff time, but from a public health perspective are considered low priority because many of the concerns are addressed in the subsequent pasteurization of the product. The inspections are mandated under the federal pasteurized milk ordinance (PMO), which is approved by the federal Food and Drug Administration (FDA). Any change in the inspection requirements would require a change in the federal PMO. DATCP is proposing working through the National Conference of Interstate Milk Shippers to seek approval from FDA on one of the following alternatives to the current Grade A dairy farm inspection requirements.

Modify PMO to Reduce Maximum Annual Inspections. DATCP is proposing to request changes to the PMO that would reduce the number of required annual inspections from six to four for some Grade A dairy farms. DATCP contends that four inspections per year for such farms is sufficient to obtain compliance and could free up staff to conduct food safety inspections in other non-farm areas of food safety concern.

Eliminate Routine Inspection for Grade A Dairy Farms. Alternatively, DATCP suggests changes to the PMO to eliminate the routine annual inspection of Grade A dairy farms. DATCP believes that a new system could be created that would involve the monitoring of critical on-farm food safety controls and the targeting of inspections on farms which demonstrate serious or chronic problems. Because an estimated 47% of inspector staff time is spent conducting Grade A farm inspections, this proposal would be considered a significant shift in long-standing policies relating to on-farm inspections, but would likely reduce the current $2.0 million in annual costs associated with the dairy inspection program by one-half.

ANALYSIS

Program Revenue Account

Food safety license and inspection fees are set by administrative rule. During the 1997-99 budget deliberations, the DATCP Board had approved a fee proposal for public hearing that would have resulted in an estimated $1.3 million in revenues in the 1997-99 biennium and approximately $900,000 annually thereafter. The fee package would have raised most fees on dairy farms, dairy plants, food processors and food retail stores and warehouses. However, following the public comment period, the Board, in September, 1997, approved a scaled back fee proposal that will increase only the dairy plant milk procurement fee as well as most of the proposed food processors and retail food store fees (other dairy plant and dairy farm license fees would not increase). The current fee proposal is expected to generate additional revenues of $360,000 in 1997-98 and $600,000 in 1998-99, which is approximately $340,000 less in the biennium than the fee increase proposed during biennial budget deliberations.

The Board approved the revised rule in September and it was forwarded to the Legislature for review by the Assembly Committee on Agriculture and the Senate Committee on Agriculture and Environmental Resources on September 17, 1997. The Assembly Committee held a hearing, but took no action on the rule. The Senate Committee took no action. As a result, DATCP may submit the rule for publication in the Wisconsin Administrative Register, at which time the rule takes effect (unless a delayed effective date is specified). The Department intends for the rule to be fully implemented by March, 1997.

Based on current expenditure authority and the revenue levels expected from the final rule, the food safety program revenue account could end the 1997-99 biennium with approximately a $494,000 deficit. The following table lists the program revenue balance based on the revised fees and the authorized expenditure levels in the biennium.

Food Safety
Program Revenue Account*

	Actual 1996-97	Budgeted 1997-98	Budgeted 1998-99
Beginning Balance	$777,500	$356,400	-$99,400
Revenues	2,806,500	3,215,700	3,352,600
Expenditures**	-3,227,600	-3,671,500	-3,747,200
Ending Balance	$356,400	-$99,400	-$494,000

* Includes 100% PR-funded programs.
** Includes approximately $205,500 in estimated pay plan increases in the biennium.

In order to ensure that the program revenue account ends the 1997-99 biennium with a positive balance (approximately $6,000), the Committee could reduce the program's PR expenditure authority by $250,000 annually. While this action would reduce expenditure authority by approximately 8%, program revenues are not expected to support any greater expenditure levels in the biennium. Further, allowable expenditures would be approximately 4.8% above the 1996-97 actual expenditures for the split-funded portion of the program. Excluding those programs that have historically been 100% PR funded and assuming approval of the agency's GPR request, a $250,000 reduction in program revenue expenditure authority would result in funding levels of $3,118,400 GPR (52.6%) and approximately $2,806,600 PR (47.4%). If the agency's GPR request is not approved, the reduction would result in a funding split of 52.2% GPR/47.8% PR.

While DATCP's food safety program revenue account could end the biennium with a potential deficit, the Department states that expenditures will be held within revenues to the extent necessary to maintain a positive balance. Further, while Department officials acknowledge that expenditure authority could be reduced to meet anticipated revenues, they also note that such a reduction would reduce the Department's flexibility to expend at a higher level in the event revenues are higher than anticipated. However, in the event revenues increase beyond current expectations, the Department could submit a s. 16.515 request (14-day passive review) to the Committee to increase expenditure authority as needed.

It also could be argued that no reduction in expenditure authority is necessary at this time because: (a) the Department has shown an ability to hold program expenditures below authorized levels for the past several years in order for the food safety program revenue account to end the each year with a positive balance; (b) the Department, along with the Food Safety Task Force consisting of the agency, legislative, industry, food science and health representatives, is in the process of developing a policy from the proposals outlined in the food safety program study which the Department intends to utilize in developing its 1999-2001 budget request; and (c) if the program revenue account does end the biennium with a deficit position, a mechanism has been established in statute whereby the Department would be required to submit a revenue sufficiency plan to the Department of Administration that outlines how the Department plans to bring the program revenue account into balance.

GPR Request

Providing the additional $50,000 GPR annually would not have a significant impact on the program's funding split but could somewhat reduce the need for program revenue funded expenditures in the biennium. Therefore, if the Committee chooses to provide the additional GPR funding for the food safety program activities, the Committee may want to make a corresponding reduction in DATCP's food inspection program revenue authority. Further, in order to reduce PR costs to the program on an on-going basis, the Committee could convert PR staff to GPR. The $50,000 requested from Joint Finance's appropriation would fund 1.25 positions annually.

While DATCP's food inspection program study and report generally appears to meet the statutory requirement, the report does not identify any program revenue cost reductions in the current biennium. Further, the Department indicates that it plans to work with legislators, industry representatives and food science and health officials to develop long-term program and funding changes. Therefore, the Committee could deny the Department's request for additional GPR funding at this time and address overall program funding during the next biennial budget process along with the statutory and program changes the Department will be proposing.

ALTERNATIVES

A. Food Study and Report

1. Approve the food program study and report submitted by DATCP.

2. Do not approve the food program study and report submitted by DATCP.

B. Program Funding

If the food study and report is approved, consider one of the following alternatives.

1. Approve DATCP's request to supplement the food safety GPR appropriation by $50,000 GPR annually.

2. Approve the request as modified to provide $50,000 GPR and 1.25 GPR positions annually and to delete a corresponding $50,000 PR and 1.25 PR positions annually.

3. Approve the request as modified to provide $50,000 GPR and 1.25 GPR positions annually and to delete $250,000 PR and 1.25 PR positions annually. (The $250,000 annual reduction should maintain PR expenditures within available revenues).

4. Deny DATCP's request to supplement the food safety GPR appropriation. In addition, delete $250,000 annually from DATCP's food safety PR appropriation to maintain expenditures within available revenues.

5. Deny the request.

Prepared by: Al Runde

MO# A1, B2

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
2 KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

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TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Corrections--Absconder Unit--Agenda Item XIV

The Department of Corrections requests the approval of a plan and budget for the operation of an absconder unit in Milwaukee County. Corrections requests the release of $702,700 GPR in 1997-98 and $1,025,600 GPR in 1998-99 from the Joint Committee on Finance's supplemental appropriation (s. 20.865 (4)(a)) for the absconder unit as follows: (a) $668,700 GPR in 1997-98 and $1,015,300 GPR in 1998-99 to the community corrections appropriation (s. 20.410 (1)(b)); and (b) $34,000 GPR in 1997-98 and $10,300 GPR in 1998-99 in the general program operations appropriation (s. 20.410(1)(a)). The Department requests the creation of 26.0 GPR positions annually to staff the unit.

BACKGROUND

In the 1997-99 biennial budget, the Governor recommended $890,100 GPR in 1997-98 and $1,341,600 GPR in 1998-99 and 35.25 GPR positions annually for the creation of a special probation and parole unit assigned to southeastern Wisconsin to locate and return probationers or parolees who have absconded from supervision or to initiate revocation proceedings. The following positions were recommended: (a) 25.0 GPR probation and parole agents; (b) 2.0 GPR field supervisors; (c) 1.0 GPR program assistant supervisor; and (d) 7.25 GPR program assistants.

During Finance Committee deliberations on the 1997-99 biennial budget related to the absconder unit, it was noted that Corrections' case classification/staff deployment (CC/SD) model included a workload factor for agents' time associated with absconder cases and that if an absconder unit was created, overall probation and parole staffing could be reduced accordingly. Instead of reducing probation and parole staffing, the Committee adopted a motion that: (a) reduced funding for the absconder unit by the amount of time dedicated by agents to absconder cases under the CC/SD model ($187,400 GPR in 1997-98 and $316,000 GPR in 1998-99); (b) placed the modified funding amount ($702,700 GPR in 1997-98 and $1,025,600 GPR in 1998-99) in the Committee's appropriation; (c) specified that funding for the unit could be released after the Committee approves a plan and budget for the unit submitted by Corrections; and (d) deleted 35.25 GPR positions annually, with the expectation that position authority could be provided when the plan was approved.

ABSCONDER UNIT PROGRAM PLAN

In November, 1997, the Wisconsin probation and parole population was 64,745, with a community intensive sanctions population of 1,344. Of the totals, probation and parole had 7,982 offenders (12.3%) on absconder status and intensive sanctions had 221 offenders (16.4%) on a similar status. According to Corrections, 3,743 of the probation and parole absconders and 144 of the intensive sanctions escapees were assigned to Milwaukee County.

Under the Corrections' plan currently before the Committee, an absconder unit would be created in Milwaukee County to track, locate and apprehend offenders (probationers, parolees and inmates in the community under the intensive sanctions program) who have failed to report under conditions of their community release. The unit would be staffed by a total of 20.0 probation and parole agents, 2.0 supervisors, 1.0 program assistant supervisor and 3.0 program assistants. The Department indicates that the unit would operate seven days per week, sixteen hours a day, with six agents on duty at any one time. The unit would serve as a source of information for local law enforcement, Corrections staff and the general public regarding the status and whereabouts of absconders.

The Department's plan includes the following:

Program Goals. The unit is intended to: (a) increase public safety; (b) improve the accountability of offenders; and (c) enhance the collaboration between Corrections and local law enforcement in the apprehension of absconders.

Program Objectives. The unit has the following objectives: (a) increase public safety by reducing the number of absconders and revoking the supervision of offenders not amenable to supervision; (b) improve the accountability of offenders by making offenders report regularly, pay restitution, submit to urinalysis screens and participate in work, school or community service; and (c) enhance collaboration between Corrections and local law enforcement by sharing information and jointly participating in neighborhood and community policing.

Program Activities. The agents in the absconder unit would: (a) gather information on offenders who are not reporting from sources such as Corrections offender files, Department of Revenue, telephone companies, U.S. Postal Service and the Department of Transportation; (b) search for absconders; (c) develop and distribute "wanted" posters to local law enforcement agencies; (d) make face-to-face visits with an offenders' family and friends; (e) contact current or former employers; (f) work with local law enforcement to locate absconders by participating in community policing efforts and riding along with local law enforcement officers; (g) contact local jails and law enforcement for information on absconders; and (h) apprehend the absconder and follow through on case disposition.

The duties of the program assistants in the unit would include: (a) contacting local jails for information on absconders; (b) verifying violations and custody dates; (c) calculating discharge dates on reinstatements of probation, parole or intensive sanctions; (d) typing offender detainer letters; and (e) general administrative support to the unit.

Program Performance Measures. The Department has not developed program performance measures, but will develop specific measures. The Department will maintain data related to how and when an offender enters the unit's caseload, when and how an offender is located and apprehended, the disposition of cases and repeat absconding. The data will be used to evaluate the unit and make needed changes.

ANALYSIS

In order to fund the operation of the absconder unit, Corrections is requesting the release of $702,700 GPR in 1997-98 and $1,025,600 GPR in 1998-99 and the creation of 26.0 GPR positions (20.0 probation and parole agents, 2.0 supervisors, 1.0 program assistant supervisor and 3.0 program assistants) annually to staff the unit. Funding would be divided as follows:

Item	1997-98	1998-99
Staff costs	$414,900	$830,100
Supplies and services	86,800	173,800
Vehicle leases	12,700	21,700
Training	34,000	0
One-time	154,300	0
Total	$702,700	$1,025,600

The Department indicates that six agents will staff the absconder unit at all times (sixteen hours per day, seven days per week). Agents will search records, work with law enforcement officers and visit offenders' last known addresses, family, friends and employers in an effort to located offenders on absconder or escape status. If necessary, agents will also apprehend offenders. The agents' work will be supported by 1.0 program assistant supervisor and 3.0 program assistants.

In general, the funding requested by the Department is based on the same salary, fringe benefits, supplies and services and one-time costs used in the 1997-99 biennial budget. The following points regarding the request should, however, be noted:

- Funding for the requested positions is provided for six months and funding for three leased vehicles (vans) is provided for seven months in 1997-98. When budgeting for new positions, funding is generally delayed for three months from the time of approval to allow for recruiting and hiring. If standard budgeting practices are followed for the absconder unit, the request could be reduced by $255,800 GPR in 1997-98 to reflect three months of funding for the positions and vehicle leases. The Department argues, however, that the positions could be filled sooner because utilization of the intensive sanctions program (ISP) is being reduced and existing ISP agents could be used to fill the new positions. The Department further argues that while existing ISP employes could be transferred to the new absconder unit positions, the actual ISP positions should be maintained because the Governor's Advisory Committee on ISP has not yet determined how the program may be modified and therefore the existing ISP positions may be necessary.

- The Department's plan indicates that performance measures will be developed for evaluation of the unit and that the results of these measures will be used to make modifications to the program. If the Committee wishes, Corrections could be required to submit the performance measures to the Committee for review and approval under a 14-day review process by March 1, 1998.

- It could be argued that since the absconder unit is new and its effectiveness is unknown, the creation of project, rather than permanent, positions would be appropriate. Under this modification, positions could be created to end on July 1, 1999, and Corrections required to submit a report to the Committee on the program by May 1, 1999. This alternative would allow the Committee to determine whether funding and positions for the unit should continue in the 1999-2001 biennium.

- While the plan indicates that performance measures for the unit will be developed and that program modifications may be made as the result of those measures, the plan does not specifically require Committee approval of future changes. As a result, once the plan for the absconder unit is approved, Corrections could modify the plan or the program without further Committee action. If the Committee wishes, the absconder unit plan could be modified to require Corrections to submit any modifications to the Committee for review under a 14-day passive review process. If objections to the modifications are raised, a meeting of the Committee could be held.

If the Committee does not approve the Department's plan for the creation and operation of an absconder unit in Milwaukee County, the Department's request for release of funding and creation of positions should be denied.

ALTERNATIVES

1. Approve the Department's plan for the creation and operation of an absconder unit in Milwaukee County. Approve Corrections' request to release $702,700 GPR in 1997-98 and

$1,025,600 GPR in 1998-99 from the Joint Committee on Finance's supplemental appropriation (s. 20.865 (4)(a)) for the absconder unit as follows: (a) $668,700 GPR in 1997-98 and $1,015,300 GPR in 1998-99 to the community corrections appropriation (s. 20.410 (1)(b)); and (b) $34,000 GPR in 1997-98 and $10,300 GPR in 1998-99 in the general program operations appropriation (s. 20.410(1)(a)). Approve the Department's request to create 26.0 GPR positions (20.0 probation and parole agents, 2.0 supervisors, 1.0 program assistant supervisor and 3.0 program assistants) annually to staff the unit.

2. Approve the Department's plan for the creation and operation of an absconder unit in Milwaukee County, but modify the request for release of funds with any of the following modifications:

a. Reduce funding by $255,800 GPR in 1997-98 in order to allow the Department three months to recruit for the positions and to provide three months, rather than seven months, of funding for leased vehicles.

b. Create project positions ending on July 1, 1999, rather than permanent positions.

c. Require Corrections to submit performance measures for the absconder unit to the Committee for review and approval under a 14-day passive review process by March 1, 1998.

d. Require Corrections to submit any modifications of the plan for the absconder unit to the Committee under a 14-day passive review process.

e. Require Corrections to submit a report to the Committee on the effectiveness of the absconder unit by May 1, 1999.

3. Deny approval of the Department's plan for the creation and operation of an absconder unit in Milwaukee County, and deny the Department's request for the release of funds from the Committee's appropriation.

MO# 2(a)(c)(d)(e)

Prepared by: Jere Bauer

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 15 NO 0 ABS 2

Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

December 18, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Public Instruction--Section 13.10 Request to Release Funds for Maintenance Projects at the State Residential Schools--Agenda Item XV

The Department of Public Instruction (DPI) requests the release of $91,200 GPR in 1997-98 from reserve in the Joint Committee on Finance's GPR appropriation to DPI's residential schools appropriation, for maintenance projects at the School for the Deaf and at the School for the Visually Handicapped.

BACKGROUND

In 1997 Act 27 (the 1997-99 budget act) $91,200 GPR annually was provided to increase base funding by $74,000 annually to fund maintenance projects at the School for the Deaf and by $17,200 annually for maintenance projects at the School for the Visually Handicapped. Act 27 directed the State Superintendent of Public Instruction to submit plans to the Joint Committee on Finance (JFC) within 30 days after the effective date of the budget act (October 14, 1997) and by October 1, 1998, specifying how the Superintendent would allocate the maintenance funds provided. JFC has the authority to release these funds upon approval of the plans.

Currently, annual base funding allocated to maintenance projects is $121,500 GPR at the School for the Deaf and $89,000 GPR at the School for the Visually Handicapped. In total, with the Act 27 amounts combined with base funding, the annual maintenance budgets equal $195,500 GPR at the School for the Deaf and $106,200 GPR at the School for the Visually Handicapped.

ANALYSIS

During 1996, the Department of Administration (DOA) directed DPI to allocate additional funding for facility upkeep and repairs at each school. As part of its agency budget submission, DPI requested, and the Governor recommended, $91,200 GPR annually for maintenance at the residential schools. DPI worked with the Division of Facilities Development (DFD) in DOA to develop the funding amounts that were approved by the Legislature and the Governor in Act 27.

The $91,200 GPR annually would be used, in part, to purchase new or updated tools, compressor replacements, heating/ventilation/air conditioning (HVAC) parts, heating repairs and upgrades, supplies for lawn maintenance, floor buffers and polishers, fire alarm controls and sensors, tree removal and contractual services. The following table lists, by item, the plan submitted by the State Superintendent for 1997-98.

Residential Schools -- 1997-98 Maintenance Funding Increase

Wisconsin School for the Deaf	Amount
Planer	$400
Paint and whitewash	500
Table saw	600
Portable compressor	600
Band saw and stand	700
Salt/Sand spreader	800
Dust collector for saws	800
Commercial upright vacuums	800
Univent motors	1,000
Custodial carts	1,500
Assorted tools, wrench sets, toolboxes	1,500
15 gallon extractor	1,500
Water heaters	1,800
Tree trimming and removal	2,000
High speed burnishers	2,000
Doors	2,000
Automatic scrubber	2,000
Electrical parts	2,500
Pneumatic controls	3,000
Keying equipment and supplies	3,000
Architectural/Engineering assistance	3,000
Custodian supplies (wax strippers, sealers, waxes, polishes)	3,400
Air conditioners, cooler, freezer	3,800
Hi Lift	4,000
Fire alarm system maintenance supplies	4,000
Landscaping (gravel, black dirt, grading, seed)	4,800
Tools and equipment	5,000
HVAC equipment and parts	7,000
Heat ball valves and control valves	10,000
Total - School for the Deaf	$74,000
Wisconsin School for the Visually Handicapped	
Repair rusted swimming pool pipes	$2,600
Repair fire alarm system	5,000
Repair intercom system	9,600
Total - School for the Visually Handicapped	$17,200
Total -- Residential Schools	$91,200

DFD staff have reviewed the maintenance plan and found it consistent with the intent to allocate additional funds for facility upkeep and repairs at the residential schools. The current residential schools Director indicates that he is committed to establishing and maintaining maintenance plans for the residential schools.

CONCLUSION

Because the 1997-98 plan submitted for the allocation of the maintenance funding held in reserve in the Committee's appropriation appears reasonable, the Committee may wish to release $91,200 GPR in 1997-98 from the Joint Committee on Finance's s. 20.865(4)(a) appropriation to DPI's s. 20.255(1)(b) residential schools appropriation to fund maintenance projects at the School for the Deaf and at the School for the Visually Handicapped.

Prepared by: Bob Soldner

MO# Support conclusion

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 14 NO 0 ABS 2

Legislative Fiscal Bureau

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December 18, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: University of Wisconsin System--Requests under s. 13.10 to Release Funding for Faculty Technology, Technology Infrastructure and BadgerNet Projects--Agenda Items XVI and XVII

Under 1997 Act 27 (the 1997-99 budget), $1,060,800 GPR in 1997-98 and $3,307,200 GPR in 1998-99 was placed in the Committee's appropriation and $639,200 PR in 1997-98 and $1,992,800 PR in 1998-99 was placed in unallotted reserve. These monies were set aside for release when the UW System reports to the Committee on its assessment of its educational technology needs across the System, including its goals for educational technology procurement, utilization and curricular design. The report is to include a UW System inventory of its current technology and a detailed budget of how the System would allocate this funding, including a consideration of technological equity across the System.

In a separate budget provision, Act 27 placed $1,470,000 GPR annually and $1,008,000 SEG in 1997-98 and $864,000 SEG in 1998-99 from the universal service fund in the Committee's appropriation and $530,000 PR annually in unallotted reserve. These funds were placed in reserve for release when the UW and the Department of Administration (DOA) submit a joint report on the costs and technology needs of the BadgerNet initiative and the Committee determines that plans for the UW and DOA components of BadgerNet will achieve a consistent and workable system.

BACKGROUND

In the budget, the Governor recommended providing $3,697,700 GPR in 1997-98 and $5,713,200 GPR in 1998-99 as well as $2,502,300 PR in 1997-98 and $3,716,800 PR in 1998-99 from tuition and special student fees for various UW System educational technology initiatives.

The Legislature approved the Governor's funding recommendation and provided an additional $158,300 GPR, $85,200 PR and $1,008,000 SEG in 1997-98 and $644,800 GPR, $347,200 PR and $864,000 SEG in 1998-99 for UW educational technology initiatives. Table 1 provides a breakdown of the UW technology funding budgeted in 1997 Act 27.

TABLE 1

University of Wisconsin Educational Technology Funding
1997 Act 27

	1997-98			1998-99			
	GPR	PR	SEG	GPR	PR	SEG	Total
Student Information System	$854,900	$1,145,100	$0	$0	$630,000	$0	$2,630,000
K-12 Technology Initiatives	470,300	273,200	0	1,580,800	911,200	0	3,235,500
Faculty Technology*	436,800	263,200	0	1,435,200	864,800	0	3,000,000
Technology Infrastructure*	624,000	376,000	0	1,872,000	1,128,000	0	4,000,000
BadgerNet*	1,470,000	530,000	1,008,000	1,470,000	530,000	864,000	5,872,000
TOTAL	$3,856,000	$2,587,500	$1,008,000	$6,358,000	$4,064,000	$864,000	$18,737,500

*Pending release by JFC.

Funding was provided directly to the UW for the Student Information System because the UW System was able to provide detailed information on how the System would allocate the funding. In addition, the UW could identify what the benefits of the funding would be and illustrate its plans for this ongoing initiative. Funding was also provided directly to the UW for the K-12 technology program within the schools of education due to its connection to the public school district TEACH initiative proposed by the Governor. Additionally, there has been a concerted effort by the UW schools of education to provide pre-service and in-service training for K-12 teachers in the use of technology in the classroom.

Funding for the UW faculty technology, technology infrastructure and BadgerNet initiatives was placed in reserve due to: (1) questions concerning data to support the UW request; (2) a lack of an accurate inventory of current UW technology and information about the benefits of additional resources; (3) concerns regarding the distribution of the funding among campuses; and (4) little agreement between the UW and DOA regarding the costs and types of technology appropriate for the BadgerNet initiative.

REQUEST

The UW System requests that the Committee approve the reports submitted to the Committee and release the funding associated with the faculty technology, technology infrastructure and BadgerNet initiatives in both years of the 1997-99 biennium.

The UW has submitted two reports, as requested by the Legislature. The first report outlines the UW request for the faculty technology funding and its distribution. The second report, submitted jointly with DOA, addresses the technology infrastructure and BadgerNet funding. Attached to the reports is the *1997 University of Wisconsin System Information Technology Plan: Education for the 21st Century*, which outlines current projects and goals of the UW System for 1997.

FACULTY TECHNOLOGY

The UW reports that the faculty technology funding would be used to provide faculty and instructional academic staff with instructional technology and for instructional design and technical support to enable them to redesign and incorporate instructional technology into on-campus classroom and distance education courses. For example, several campuses would utilize faculty technology funding to support or create professional development labs for faculty who need training in the use of instructional technology, which may include assistance in establishing electronic discussion groups for individual courses or digital modeling demonstrations for science labs.

Faculty Technology Survey Data

In order to justify the need for additional faculty technology resources, the UW cites two surveys. The first survey is a national study on the use of information technology as an instructional resource, in which UW-Eau Claire, UW-Madison, UW-Parkside, UW-Stevens Point, UW-Marinette, UW-Richland, UW-Sheboygan, UW-Washington and UW-Waukesha participated. The second survey is an internal UW System survey on the availability of instructional technology resources for faculty at the UW System. Based on the results of these two surveys, the UW argues that UW faculty do not have access to the technology resources required to meet national educational technology trends or internal UW technology needs. However, it is open to interpretation whether the results of these two surveys point to a dearth of faculty technology resources at the UW System. For example, while the first survey shows that nationally the use of email in instruction almost tripled over the last three years, only 25% of all faculty surveyed nationally utilize email in their instruction. The second survey indicates that at the UW System 93% of all faculty and instructional staff surveyed have access to email in their offices. While there is not a direct correlation between the data presented in these surveys, the UW System appears to provide email access to higher percentages of faculty and instructional staff than are likely to utilize it in their teaching.

Further, the UW indicates that too many faculty and instructional staff do not have access to the modern technology tools needed to incorporate technology into the curriculum; however, 92% of all faculty and instructional academic staff surveyed have access to a computer workstation in their offices, 58% have computers purchased within the past three years and 77% have campus network access including a graphical Web browser. Aside from the desire to be at 100% access in each of these categories, the UW has not established precisely what their goals for faculty technology access should be. Additionally, they have not identified how the requested funding would advance them to an established goal, nor provided anything other than anecdotal data on the demand for faculty technology resources throughout the System.

However, UW System technology staff and the Chief Information Officers (CIO) Council, which is comprised of the highest ranking technology officers from each four-year campus and one representative each from the UW Colleges and UW Extension, are working to collect technology resources data. Individual campuses and the System as a whole are planning to survey students, faculty and staff on how well the available technology resources meet their needs in the areas of learning/instruction, research and administration. The UW System will be collecting this data throughout the current school year and compiling it during the summer of 1998; complete data should be available during the fall of 1998 and for inclusion in the UW System 1999-2001 state budget request.

This new data could be helpful in analyzing the technology needs of the UW. For example, many faculty members may only utilize their computers for basic word processing and therefore, their computing requirements could easily be met with an older model computer, whereas a specific subset of faculty members may need high-end computers to meet their teaching and research demands. Faculty and academic staff technology needs are likely to vary due to personal choices, academic discipline, and research and teaching goals. If the UW could successfully compile detailed data surrounding user needs and goals, future funding requests would be able to concentrate on a clear set of System technology goals which are tied to a meaningful funding amount and a discussion of the benefits of technology upgrades.

Technology staff at UW System have suggested that in addition to providing this data as part of the 1999-2001 UW System biennial budget request, they would like to have the opportunity to report directly to the Committee on the results of this data collection, including how individual campuses have expended the additional faculty technology funding.

Proposed System Allocation of Faculty Technology Funding

The UW System is proposing to allocate 75% of the faculty technology funding each year to the campuses based on the proportion of total UW System FTE students at each campus; the remaining 25% of the funding would be held by UW System to support systemwide programming and collaborative projects between campuses. Table 2 outlines the proposed funding division for the faculty technology funding. While funding distribution based on FTE students per campus has been the traditional methodology utilized by the UW System to allocate funding to campuses, it raises some concerns that the faculty technology funding may not be distributed among campuses in an equitable manner, particularly in light of UW data which shows disparities among campus faculty technology access. For example, based on UW survey data, 100% of the faculty and instructional staff at UW-Platteville have access to a personal computer in their offices, whereas only 57% of the faculty and instructional staff at UW-Milwaukee have similar access.

TABLE 2

Faculty Technology Funding Distribution

	1997-98	1998-99
Systemwide Programming	$175,000	$575,000
Campus Allocations	525,000	1,725,000
Total	$700,000	$2,300,000

While staff from the UW acknowledge these disparities, they argue that the traditional distribution methodology continues to be the most equitable manner in which to distribute the new faculty technology funding for several reasons: (1) the UW faculty technology funding is part of a multibiennial initiative, thus technological equity is not a one-time goal that will be reached in two years or by focusing on one area of educational technology; (2) due to different needs, histories and missions, individual UW institutions will always be at different resource levels both in educational technology access and other areas as well; and (3) allocating resources based solely on one measurement of need or towards a larger systemwide goal, penalizes institutions that have already reallocated significant base resources to address technology needs.

UW System CIOs agree that the distribution of funding to campuses is most equitable when allocated based on the proportion of FTE students at each campus. Additionally, the CIOs express concern with the idea of distributing funding based on a narrow measurement of need, particularly if the distribution of technology funding would establish a precedent for providing supplemental GPR funding to campuses that have not elected to invest base resources for a particular activity. Allocating funding in this manner could create the perverse incentive for campuses to cease investing base resources in areas that could receive state supplemental GPR support in the future.

The UW intends to utilize the portion of the funding held centrally to fund a limited number of large collaborative projects that incorporate as many campuses as possible. The goal is to encourage the sharing of knowledge and resources, with the intention of identifying the best practices and most efficient means of utilizing technology for higher education. UW System staff indicate that the decision to hold 25% of the funding, rather than some other percentage, for designation to collaborative and systemwide projects does not have a specific basis. However, while 25% could be viewed as too large of a percentage, a decision to decrease it to 15% or 5%

would be similarly arbitrary. While campuses would certainly receive greater allocations if 85% or 95% of the funding would be distributed to campuses, withholding a percentage of the funding for the purpose of supporting collaborative projects seems to be consistent with the legislative goal of utilizing technology to promote the efficient use of state resources.

In addition to the state funding provided in Act 27, the UW Board of Regents has required campuses to reallocate base resources for the purpose of funding educational technology initiatives. The Regents required UW institutions to reallocate $6.0 million all funds Systemwide in 1997-98 in order to match the state funding. Most institutions reallocated more than required, making the total UW System base reallocation for educational technology initiatives approximately $9,254,700 in 1997-98. These UW institution reallocations, in combination with the state funding, should provide campuses with significant resources to address educational technology needs in the 1997-99 biennium, and underscores the commitment of UW institutions to implementing educational technology initiatives.

Finally, in his budget proposal, the Governor recommended that one-third of the faculty technology funding be designated for providing faculty with technology equipment and two-thirds be designated for providing faculty with technology training. At this time, the UW is requesting that individual UW institutions be allowed to determine the appropriate funding allocation in order to meet the specific needs of each campus. Because each institution has outlined its goals and plans in the *1997 UW System Information Technology Plan*, this request appears reasonable.

TECHNOLOGY INFRASTRUCTURE AND BADGERNET

The UW System has submitted a report which combines its requests in the areas of technology infrastructure and BadgerNet funding because in its technology planning, these items are closely linked together. The UW reports that the BadgerNet funding would be utilized to install SONET nodes and ATM switches at each of the 13 four-year campuses and connections to the SONET ring for each of the 13 UW Colleges. Each of the 13 four-year campuses, including Superior, Stout, River Falls and Whitewater, will have equivalent access to BadgerNet upon completion of the equipment installation. The technology infrastructure funding would be utilized to upgrade on-campus network capacity, upgrade and expand educational technology equipment resources and provide more consistent site support for distance education courses, each of which would enable the UW System to better utilize the BadgerNet system.

Technology Infrastructure Funding

The UW System proposes to expend the technology infrastructure funds as follows: (1) $159,500 all funds in 1997-98 and $177,500 all funds in 1998-99 for distance education site support at the UW Colleges; (2) $840,500 all funds in 1997-98 for upgrades in campus network infrastructure; and (3) $2,822,500 all funds in 1998-99 for the three areas outlined above (network capacity, equipment and site support).

In 1997-98, the funding for upgrades in campus network capacity will not be distributed directly to campuses because UW System technology staff would like to ensure that the network capacity of each campus will be sufficient to ensure the full utilization of BadgerNet; however, all of the equipment purchased will be installed directly on campuses. This methodology appears reasonable because campuses may have varying network needs, and UW System Administration staff will provide a systemwide perspective that will be better able to ensure equitable access to BadgerNet at each of the institutions.

In 1998-99, the funding will be allocated to institutions directly; however, the UW has not yet determined the specific method for distributing the funds. Technology staff at UW System Administration indicate that in order to receive this funding, UW institutions will be required to submit an annual report on the use of these funds and how these resources support the BadgerNet project. Because 1997-98 will be the first year of the BadgerNet initiative, this plan for funding distribution appears reasonable and will enable UW campuses to assess what infrastructure needs arise as the BadgerNet project reaches complete operation.

Technology staff at UW System Administration have been working with the CIOs to compile an inventory of campus technology equipment. While a complete inventory is not available, the UW report provides a detailed inventory of distance education equipment by campus and the *1997 UW System Information Technology Plan* outlines the software packages and computer systems common to each campus. Additionally, the Plan provides information on the major technology projects being undertaken by each campus as well as the goals for technology acquisitions and initiatives over the next biennium.

The UW System technology staff and the CIOs have indicated that they are working to identify methods for collaborating across the UW System in order to allow all of the campuses access to technology equipment, software, curriculum and training. For example, they are exploring the possibility of each campus specializing in a particular software package and/or network system and providing training and support for the entire System. This would enable each institution to have access to a range of technology resources without having to commit staff time and funding to each software package or system.

BadgerNet Initiative Funding

The UW proposes to expend the BadgerNet funding as follows: (1) $2,583,000 all funds in 1997-98 and $2,439,000 all funds in 1998-99 for telecommunications support for data and video services for the 13 four-year campuses, including transport and switching of the services across the BadgerNet backbone; (2) $300,000 all funds annually for telecommunications services for data and video communications for the UW Colleges; and (3) $125,000 all funds annually for the salary, fringe benefits and supply costs of a systemwide BadgerNet coordinator.

The UW reports that the BadgerNet funds will be held centrally to pay for these BadgerNet services. Because the funding will primarily be utilized to pay DOA for these BadgerNet services across the System as a whole, it is more efficient for these funds to remain at the System Administration level for direct payment to DOA, rather than requiring each institution to make separate payments to DOA. Further, centralized funding would appear to promote the goal of equitable access across the entire UW System.

Technology staff at both the UW System and DOA indicate that the funding and technological concerns that were pending at the time the Committee reviewed the UW technology funding in May have generally been resolved. Since that time, a number of things have occurred to facilitate this resolution, including additional communications and agreements between the UW and DOA, the finalization of a number of BadgerNet procurement contracts and a better general understanding of the scope and goals of the BadgerNet initiative.

Technology staff at DOA report that three of the six BadgerNet procurement contracts have been finalized as follows: (1) AT&T will provide long distance voice services; (2) Norlight Telecommunications will provide the SONET backbone transport services; and (3) Cisco will provide the data communications equipment and services. The state is negotiating a contract with the Wisconsin BadgerNet Access Alliance (WBAA) for data connections from the end-user to the backbone, which would include the T-1 and DS-3 connections available to school districts and other educational entities under the TEACH program. The WBAA is led by Ameritech, partnered with Norlight, GTE North and Access Wisconsin. Additionally, the state is negotiating a contract with TDS Telecom to provide an Enterprise Network Management Center, which will monitor, maintain and, if needed, modify the BadgerNet system in order to ensure an efficient and effective statewide system. DOA is also reviewing proposals that will provide for the interconnection of old and new distance learning video networks. Each of these three pending contracts should be in place by the end of the year. Finally, DOA will be issuing a request for proposals for public radio and television interconnections in early 1998.

Despite the budget delay and reporting requirements, the UW and DOA are working together to install the nodes and other equipment necessary to access BadgerNet at each of the UW institutions. BadgerNet contractors have visited each of the UW node sites and installed the Badgernet nodes at the sites. Eleven ATM switches have already been installed, one will be installed in late December and four will be installed upon release of the funds. Cut-over of existing statewide traffic from the old network to BadgerNet has already begun and will continue to increase incrementally. Staff at the UW and DOA agree that the types of technology outlined in the state contracts provides the UW with the flexibility to meet the System goals for network connectivity, and equitable and sufficient access to the SONET backbone and future network upgrades.

While the status of the BadgerNet project is more secure at this time than it was last May, the complete initiative has yet to be implemented. Technology staff at DOA and the UW agree that the BadgerNet funding provided to the UW for the 1997-99 biennium will be sufficient; however, the UW is unable to predict precisely how the BadgerNet project will change its networking and technology equipment needs. Because of this, technology staff at UW are planning to collect data on network usage patterns, capacity demands, infrastructure needs and user satisfaction in order to provide a more complete evaluation of the UW portion of the BadgerNet initiative. Further, UW staff have suggested that in addition to providing this information in the 1999-2001 biennial budget request for the UW System, the UW would like to have the opportunity to provide this data directly to the Committee.

ALTERNATIVES

1. Release of UW Technology Funding

a. Approve the UW reports and provide $1,060,800 GPR in 1997-98 and $3,307,200 GPR in 1998-99 from a reserve established in the Committee's GPR supplements appropriation and release $639,200 PR in 1997-98 and $1,992,800 PR in 1998-99 from unallotted reserve for UW faculty technology and technology infrastructure initiatives. Additionally, provide $1,470,000 GPR annually and $1,008,000 SEG in 1997-98 and $864,000 SEG in 1998-99 from reserves established in the Committee's program supplements appropriations and release $530,000 PR annually from unallotted reserve for the UW BadgerNet initiative.

b. Do not approve the reports and require the UW provide further information prior to release of funding for these technology initiatives.

2. UW Data Collection and Report to JFC

a. Consistent with the suggestion of UW System technology staff, require the UW to report by November 1, 1998, on how well the available technology resources meet faculty, staff and student needs. The report should examine user satisfaction and the effectiveness of the technology in the areas of learning/instruction, research and administration. Additionally, it should cover BadgerNet usage patterns, capacity demands and infrastructure needs. The report is intended to provide a more complete evaluation of UW faculty and student technology resources and the UW portion of the BadgerNet initiative. Require that the report include a discussion of the expenditure of 1997-99 technology funding and the benefits of current and future funding requests.

b. Take no action.

Prepared by: Ruth Hardy

MO# 2 1-(a) 2-(a)

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 14 NO 0 ABS 2

Legislative Fiscal Bureau
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December 18, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Higher Educational Aids Board--Section 13.10 Request for Supplemental Funds and Position Authority--Agenda Item XVIII

REQUEST

The Higher Educational Aids Board (HEAB) requests a supplement of $33,600 GPR in 1997-98 and $59,400 GPR in 1998-99 from the Committee's appropriation to fund 2.0 GPR positions and supplies and services and permanent property associated with the positions.

BACKGROUND

The Higher Educational Aids Board is an 11-member board with primary responsibility for the management and oversight of the state's student financial aid programs for Wisconsin residents attending institutions of higher education. HEAB is responsible for administering a total of $55 million in 1997-98 under ten current grant and loan programs. HEAB also monitors and services a number of outstanding student loans made under defunct programs. In addition, the agency administers the Minnesota-Wisconsin tuition reciprocity agreement and capitation payments totalling $5.2 million for students attending Marquette Dental School and the Medical College of Wisconsin.

HEAB is authorized a staff of 11.0 positions including an Executive Secretary and an administrative manager who serves both as Deputy and the Division Administrator for Programs and Policy. Of the remaining 9.0 positions, 5.0 are grants specialists or program assistants who work exclusively with the agency's grant and loan programs, 2.0 are program or administrative assistants who administer some of the financial aid programs in addition to performing agency operations responsibilities in the areas of human resources and accounting. In addition, the Board currently employs 1.0 financial officer, 1.0 information systems programmer and two, limited-term employes (LTEs).

In its 1997-99 biennial budget request, HEAB requested position authorization for a program assistant and a clerical assistant to be funded with excess monies transferred from the Board's appropriation for the nursing student stipend loan program which had been eliminated in the 1995-97 budget. While the Governor's recommendations for the 1997-99 budget included the reduction in the nursing student loan appropriation, the Governor did not recommend, and the Legislature did not provide, an increase in position authority.

ANALYSIS

According to HEAB staff, the requested positions (a program assistant 3 and a clerical assistant 2) would administer the teacher education loan program, a new forgivable loan program which was established in the 1997-99 budget act, and perform other administrative tasks. Specifically, the program assistant would administer the new loan program, process financial aid refunds and provide assistance to the information systems programmer by performing various functions such as assisting in database development, maintaining the agency's web site and transferring data to and from the mainframe computer.

The clerical assistant would serve as a receptionist for the agency. The responsibilities of this position would include data entry and processing, word processing, scheduling and filing. In addition, the position would serve as the agency's records and forms officer.

The following table indicates how the requested funds would be allocated between the two positions for each year of the biennium.

Position	1997-98	1998-99
Program Assistant 3		
Salary	$11,900	$23,800
Fringe Benefits	4,400	8,800
Supplies and Services	1,400	500
Permanent Property	2,000	---
Total for Program Assistant	$19,700	$33,100
Clerical Assistant 2		
Salary	$9,400	$18,800
Fringe Benefits	3,500	7,000
Supplies and Services	1,000	500
Total for Clerical Assistant	$13,900	$26,300
TOTAL	**$33,600**	**$59,400**

In its request, HEAB asserts that the additional positions are needed to alleviate a staff shortage which has jeopardized the agency's ability to effectively and efficiently serve students and postsecondary institutions. Further, the request indicates that the agency does not have a sufficient number of staff members to carry out statutorily required functions and provide for an acceptable level of separation of duties. Specifically, the Board has not been able to designate a permanent employe as its records and forms officer as required under s. 15.04(1)(j) of the statutes. One of the limited-term employes is currently serving in this capacity. In addition, HEAB staff indicate that the agency has not been able to appropriately address concerns raised in 1994-95 by the Legislative Audit Bureau (LAB) regarding the lack of separation of data entry and payment authorization responsibilities among staff members.

With the exception of the administration of the teacher education loan program, the responsibilities which would be assigned to the requested positions are currently being performed by limited-term employes. HEAB staff contend that these functions are ongoing, rather than temporary, in nature and should, therefore, be performed by permanent staff members. Further, HEAB staff currently project a shortfall of $14,000 in the agency's operating budget for 1997-98 and indicate that it will not be able to continue to fund the LTE salaries.

HEAB staff indicate that the agency is currently understaffed due to an increase in financial aid programs it is required to administer and concurrent reductions in the number of authorized positions over the last ten years, particularly in the 1995-97 and 1997-99 budgets.

In the 1995-97 state budget, the Governor proposed that HEAB's authorized positions be reduced by 3.85 positions (1.25 GPR positions and 2.6 SEG positions). The Governor's recommendations also included the elimination or phase-out of four of HEAB's financial aid programs. According to DOA staff, the reduction in SEG positions was proposed as a means to achieve efficiencies and reduce overall state costs, while the reduction in GPR positions was intended to reflect a decline in workload due to the elimination of the four programs. While only one of the four programs was actually eliminated in that budget, the number of authorized positions was reduced by 3.85 FTEs.

A separate provision in the 1995-97 budget would have eliminated the Board and transferred its staff and functions to a newly-created Department of Education. An additional 2.0 positions, HEAB's Executive Secretary and Deputy, were deleted to reflect this proposal. However, the Wisconsin Supreme Court ruled in March of 1996, that the creation of the new Department was unconstitutional, and HEAB remained an independent agency. While the Executive Secretary position was restored in the 1997-99 budget, HEAB did not request that the Deputy position be restored.

HEAB staff argue that its staffing shortage has been exacerbated by increases in the agency's responsibilities. In the last two biennial budgets, one new financial aid program, the teacher education loan program, was established and responsibility for another program, the minority teacher loan program for UW students, was transferred to HEAB from the UW System. In addition, a provision in the 1997-99 budget expanded HEAB's tuition grant program to include students enrolled at tribally-controlled colleges in the state. Finally, HEAB was required, beginning in 1995-96, to ensure that no awards are made to students who are delinquent in child support or maintenance payments.

Two other programs, the nursing student stipend loan program and the independent student grant program, were eliminated in the last two biennial budgets. However, because both of these programs involve loans which may be forgiven if the recipient meets certain criteria, HEAB staff must continue to monitor the accounts of students who received the awards until they are completely forgiven or repaid.

One could argue that agency staffing decisions such as those involved in HEAB's request are more appropriately made in the biennial budget process, and that with the recent passage of the 1997-99 budget act, the Legislature and Governor have already made those determinations. While HEAB included the clerical and program assistant positions in its 1997-99 biennial budget request, they were not included in the Governor's budget proposal for the agency and were not added in subsequent legislative action on the budget bill. However, in her testimony on the Governor's budget recommendations to the Joint Committee on Finance, HEAB's Executive Secretary did not request that funding or authorization for the positions be included in the budget bill. This omission would appear to indicate that the Board did not view the additional positions as a priority.

The Executive Secretary indicates that the positions were not mentioned in her testimony to the Committee because at that time, the Board was unaware of the following provisions which were subsequently added to the budget bill which would adversely affect the agency's workload and its ability to retain the LTE positions: (a) the new teacher education loan program; (b) a required lapse of $13,400 GPR annually from the agency's appropriation for state operations; and (c) a proration of required pay plan supplements due to a shortfall in the GPR compensation reserve.

HEAB staff indicate that while they believe both positions are needed, of the two positions requested, the program assistant 3 position would represent a higher priority. If the Committee concurs with HEAB's assertion that the agency is understaffed, a lower cost option would be to provide a supplement of $19,700 GPR in 1997-98 and $33,100 GPR in 1998-99 in order to fund only the program assistant 3 position.

ALTERNATIVES

1. Approve HEAB's request for 2.0 GPR positions and a supplement of $33,600 GPR in 1997-98 and $59,400 GPR in 1998-99 for the s. 20.235(2)(aa) general program operations appropriation from the Committee's s. 20.865(4)(a) appropriation.

2. Modify the request by, instead, providing 1.0 GPR program assistant 3 position and a supplement of $19,700 in 1997-98 and $33,100 GPR in 1998-99 for the s. 20.235(2)(aa) general program operations appropriation from the Committee's s. 20.865(4)(a) appropriation.

3. Deny the request.

Prepared by: Merry Larsen

MO# Alt 2

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
1 WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 11 NO 4 ABS 1

MO# Alt 3

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE ____ NO ____ ABS ____